

BPA Transaction Procedures and Inventory Requirements

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Introduction

Below are the vehicle transaction procedures and inventory requirements for first-line service providers to process Department of Motor Vehicle (DMV) vehicle transactions in the Business Partner Automation Program. Each section (A-H) identifies and discusses the process to complete the types of vehicle transactions and the steps to order and dispose of inventory. The review of these procedures and requirements will provide business partners and DMV with an efficient and effective method of serving our mutual customers.

A. New Vehicle Report of Sale Transaction Procedures

- (1) Complete a DMV *Application for Registration of New Vehicle*, form (REG 397) to document each new vehicle sold. Review all descriptive data fields to ensure that the fields are complete, accurate, and legible. Incomplete or incorrect information may result in incorrect titling or the delay or refusal of documents by DMV. Refer to the following chart (page 3) for specific data field information.
- (2) Key the recorded information and review for keying errors.
- (3) Issue license plates, stickers and registration cards for each vehicle.

Vehicles that Require Additional Documentation

Commercial vehicles may be certified to the unladen weight for commercial vehicles up to and including 8,000 pounds; however, business partners are currently restricted to processing pickups and commercial vehicles that weigh less than 6,001 pounds (unladen).

Station wagons are generally issued automobile plates. However, the purchaser may request commercial registration and receive commercial plates under the following conditions:

- The vehicle is to transport persons “for hire”. A *Statement for Securing Commercial Registration and Titling* form (REG 590) is required for vehicles transporting persons for hire, compensation, or profit unless the vehicle is registered in the name of a taxicab company; or
- The vehicle is registered to an individual whose name is also the name of a business. The registered owner must complete a *Statement of Facts* form (REG 256), Section J explaining that the registered owner name is also the name of the business.

A *Specialized Transportation Vehicle* is defined as a vehicle purchased by public or private nonprofit service agencies for the purpose of providing transportation services for senior citizens and/or handicapped persons. These vehicles pay an annual registration fee but are exempt from paying vehicle license fees and weight fees. A Certification or Exemption for Specialized Transportation Vehicle, form REG 345 must be submitted with initial registration and each renewal.

A *Statement of Facts* form is required to justify special consideration for fees or plates. Below are examples of when a Statement of Facts form (REG 256) or (Reg 256A) is required.

- Commercial plates for a passenger vehicle. Complete Section J. on REG 256.
- Non-Resident Military (NRM): When the customer states he/she is a resident of another state and in the military. Attach the REG 256 to the application.
- Indian Reservation (IND): When the customer states he/she belongs to a California Indian Tribe or a tribal member living on federal Indian reservation or rancheria located in California. Attach the REG 256A to the application.

The following chart identifies all the data fields on the *Application for Registration of New Vehicle* form (REG 397) that are to be keyed into the system.

Descriptive Data Fields:	What is Required:
Date First Sold (MO/DAY/YR)	The date when the purchaser paid the purchase price, signed a contract or agreement, and took possession or delivery of the vehicle.
Date First Operated as a new vehicle. (MO/DAY/YR)	The date the vehicle was first operated by the purchaser.
Make	The make or make abbreviation used by DMV.
Year Model	The year model as designated by the manufacturer. If blank, leave blank.
Body Type	The body type model.
Motive Power	The motive power must be indicated as follows: G=gas, D=diesel, E=electric, M=methanol, P=propane.
Axles, Unladen Weight	Number of axles on commercial vehicles. A Dealer may certify the unladen weight up to 8,000 pounds for commercial vehicles. If the vehicle weighs more than 6,001 pounds the application must be forwarded to a DMV office.
County (of Residence) Code	The assigned 2-digit number for the California county where the purchaser/registered owner resides. This may differ from the mailing address county. Out-of-state is 60.
Vehicle Identification Number (VIN)	A model specific 17 digit number that is assigned to all vehicles. If the VIN does not pass the check-digit, return to dealer.
“Sold To” Information for each purchaser	<ul style="list-style-type: none"> • His/her true full name, driver’s license/Identification (ID) card number, and signature. For a leased vehicle, the names of the lessor and the lessee are required, but only the lessor’s signature is required. • Driver license (DL) or identification number is required. However, verification of the DL/ID number is not required. An out-of-state DL/ID # is acceptable (DO NOT KEY) if the state of issuance is printed on the form. Return any application to the dealer if DL/ID number information is not present. <i>Do not key a fictitious number.</i>
“Sold To” Information for each purchaser	<ul style="list-style-type: none"> • <i>NOTE:</i> The “AND” or “OR” box is checked if more than one purchaser is shown as registered owner. • Purchaser’s address: street and mailing address, if different. • Equipment number for fleet vehicles only. • Lienholder or Legal Owner: Space must indicate name & address or the word “NONE” initialed. (A DL/ID number is not required for a legal owner.) • Purchaser’s signature and date signed are required.
Cost Value	Full price of the vehicle to the purchaser, excluding sales tax, license fees, or financing costs.
Odometer Disclosure Statement	Mileage, printed name of the purchaser(s) and seller and the original signature(s) of the purchaser(s) and seller(s).

B. Registration Renewal Transaction Procedures

Business partners may process annual registration renewal transactions for automobiles, motorcycles, commercial vehicles, and motor homes without a cab and chassis body-type model. A change of address in conjunction with the registration renewal transaction may be processed unless the business partner is expressly prohibited from processing for security reasons. The customer is to complete a DMV *Notice of Change of Address*, form DMV 14 (Rev. 8/00). Attach the form or the appropriate change of address section completed on the renewal billing notice, form DMV83VR (Rev. 12/98) to the application.

Insurance Requirement

Renewal billing notices, DMV83VR (Rev. 12/98) for customers who's insurance information is submitted electronically to DMV will not display the "Evidence of Liability Insurance" request on the front of the renewal billing notice. *Do not ask for an insurance card if the customer's renewal billing notice does not indicate it is due.* Customers without a renewal billing notice must provide evidence of insurance. For most customers that evidence would be an insurance card.

Insurance cards from:

- Canada are acceptable.
- Mexico are acceptable only if the insurer or vehicle owner's address is in Mexico.
- Other countries are not acceptable.

Compliance is verified with an insurance card or binder. Attach a copy of the insurance card or binder to the renewal document. An insurance card or binder must include the following information on the document to be acceptable:

1. Insured name on the policy or the vehicle owner's name
2. Insurance company name
3. An insurance document with a future effective date is valid, however, it is not mandatory for an insurance document to be dated. (If the policy expiration date is present, it must be valid for the registration period for which the fees are paid).
4. A master insurance policy covering multiple vehicles which is not vehicle-specific may be accepted for multiple vehicle renewals submitted at the same time.

NOTE: The vehicle description is not required, however if it is present, it must match the information on the registration card.

Smog Requirements

Check the DMV registration and titling database for smog compliance. If current smog compliance is not present on the database, then an error message will appear. The customer must provide a copy of their Vehicle Inspection Report (VIR) indicating the vehicle passed smog to continue with the transaction. A photocopy of the VIR must be attached to the application. A "Y" database entry in the smog code field is keyed upon evidence of a valid VIR.

County and Allocated County Codes

A four-digit number that identifies the county code and an allocated county code, if appropriate, is required for the allocation of fees. The first two digits identify the California county that corresponds with the register owner's address. When the vehicle is located and driven in a different California county, then the last two digits identify that county. All out-of-state addresses are designated as 60.

Add the two-digit county code for an allocated county as the last two digits in the county code field on vehicles located and driven in a county that is different from the address of the registered owner. The customer must complete and sign a *Statement of Facts* form (REG 256), Section J. This form must be attached to the registration renewal application.

Special Handling of Duplicate Registration Card

Registration renewals from customers without a current billing notice or registration card must present evidence that they are the registered owner of record. Acceptable evidence is a California driver license or California identification card issued by DMV.

The customer must complete and sign an *Application for Duplicate Registration* form (REG 156). The customer's driver license number verifying that they are the registered owner must be recorded on the form. A person or persons other than the registered owner cannot receive the sticker and new registration card. Do not process the application for customers who cannot present a valid California driver license or identification card to verify their identity. Refer the customer to a DMV office for assistance.

Refer to the chart below for additional procedures for processing registration renewals.

<i>Customer Presents Billing Notice or Prior Registration Card and:</i>	<i>Then...</i>
Evidence of insurance and/or smog is required	Collect the fees, obtain copy of insurance and VIR, key the renewal, and issue the sticker & registration card. Attach copies of the insurance card/binder and VIR(when applicable).
Requirements listed on the Billing Notice missing (smog certificate, insurance card, etc.)	Collect the fees, process a <i>Report of Deposit of Fees</i> requesting necessary missing document(s).
Vehicle belongs to a Non Resident Military (NRM)	Have customer complete and sign <i>Statement of Facts</i> form. Collect the fee, key the renewal, issue a sticker & registration card and attach the form to the application. <i>Key Code M</i>
Registered owner requests change of address	Have customer complete and sign a <i>Notice of Change of Address</i> form (DMV 14). Collect the fee, key the renewal, change address, issue the sticker & registration card and attach the form to the application.
Vehicle owned by CA Indian Tribe or a tribal member living on federal Indian reservation or on rancheria located in CA	Have customer complete and sign <i>Statement of Facts</i> form. Collect the fees, key the renewal, change the address, issue the sticker & registration card and attach the form to the application. <i>Key Code I.</i>
Vehicle is a Specialized Transportation Vehicle	Have customer complete and sign <i>Application for Registration</i> form. Collect the fees, key the renewal, issue a registration card & sticker and attach the form to the application. <i>Key Code F.</i>

C. Inventory Ordering Procedures

First-line service providers order inventory directly from DMV. DMV has two types of inventory (accountable and controlled) with each having different requirements. Both require a paperwork trail. Accountable items are defined as inventory identified by a unique serial number assigned by the department. These items are DMV-issued license plates and year stickers. Controlled items are defined as inventory that may impact the registration of vehicles and collection of fees. These items are DMV-issued computer paper form DMV95A (NEW 12/95) and month stickers. These items are at all times the property of DMV.

All orders must include a pre-approved return street address for the business partner. The first-line business partner and first-line service provider shall notify the BPA Program Administrator in a signed and written notification on business partner letterhead and sent by facsimile, US mail, or private courier of no more than three (3) employees authorized by the business partner to order inventory from the department.

Written notification shall be sent to: Department of Motor Vehicles, BPA Program Administrator, 2415 1st Avenue MS D166, Sacramento, CA 95818.

The person authorized to sign the BPA contract or the contact person designated on the application form shall sign the written notification. The list shall include the signature of each employee authorized by the business partner. A business partner shall notify the BPA Program Administrator in a signed and written notification on business partner letterhead and sent by facsimile, US mail, or private courier within seven (7) days of the business partner's additions to and deletions from the list. Additions to the list shall include the signature of each added employee.

An authorized employee may order accountable and controlled inventory by mailing or faxing the completed and signed request on an Accountable Item(s) Order form, ADM510 (NEW 3/93) to the Department of Motor Vehicles Warehouse.

Second-line business partners shall order inventory only from its service provider. Second line business partners shall not order inventory directly from the department.

Business partners shall control and monitor the license plates, year and month stickers, and DMV95A paper under their control. At no time shall a first-line business partner or a second-line business partner have more than a three (3) month supply of accountable and controlled inventory based on historic or projected transaction volumes stated on the application forms.

DMV shall ship inventory to first-line business partners, first-line service providers and pre-authorized second-line business partners. A first-line service provider may pre-authorize one of its second-line business partners by notifying the BPA Program Administrator in a signed and written notification on business partner letterhead and sent by facsimile, US mail, or private courier, of the identity of the second-line partner, the site number, the employees authorized to receive inventory and each employee's signature.

Business partner shall pay all shipping costs for inventory.

A business partner shall immediately notify the BPA Program Administrator by facsimile or electronic mail if a business partner discovers or suspects that inventory has been misused, lost, stolen or if a pattern develops that indicates the misuse of inventory.

Accountable Inventory Items

A business partner may either order by mailing or faxing the order form to DMV at the address or fax number listed below. A completed and signed Accountable Item(s) Order form (ADM 510) using the codes listed below is required to process the order.

- Mail: DMV Warehouse, Inventory Control Operations, 4201 Sierra Point Drive, Suite 112, Sacramento, CA 95834
- Fax: (916) 928-7900

Stock Item #	Stock Name	Ordering and Shipping Information
9-701R	Reflectorized Auto Plates	Plates are in units of 50 sets per box and must be ordered as sets (SE). The number entered on the <i>Accountable Item</i> form for one box of plates is 50 SE and two boxes of plates is 100 SE. Each box weighs about 25 lbs. and is 13"x10"x7".
9-702R	Reflectorized Commercial Plates	Plates are in units of 50 sets per box and must be ordered as sets (SE). The number of items entered on the <i>Accountable Item</i> form for one box of plates is 50 SE and 100 SE for two boxes of plates. Each box weighs about 25 lbs. and is 13" x 10"x 7".
9-729*	Automobile, Commercial, Motorcycle, Trailer (ACTM) Year Stickers	Stickers are in units of 500 per box and must be ordered as each (EA). The number of items entered on the <i>Accountable Item(s) Order</i> form for one box of stickers is 500 EA and 1000 EA for two boxes of stickers. Each box weighs 2 lbs. and is 13" x 3" x3".

*Year of Sticker for 2003 is 9-729-3; for 2004 is 9-729-4

Controlled Inventory Items

The order may be requested by letter on company letterhead and either mailed or faxed to DMV at the address or fax number listed below.

- Mail: DMV Materials Management Operations, Shipping Instructions Supply Orders, 4201 Sierra Point Drive, Suite 112, Sacramento, CA 95834
- Fax: (916) 928-7900.

Month stickers are ordered by using the following stock item numbers and descriptions:

Stock Item #	Stock Description
9-3-240A	January
9-3-240B	February
9-3-240C	March
9-3-240D	April
9-3-240E	May
9-3-240F	June
9-3-240G	July
9-3-240H	August
9-3-240I	September
9-3-240J	October
9-3-240K	November
9-3-240L	December

Month Stickers are shipped in units of 500 stickers that are ordered as a box (BX). See prior chart under Stock Item # 9-729 for ordering and shipping information.

The business partner shall order controlled inventory on company letterhead using the following stock item numbers, names and ordering information for the computer paper and forms:

Stock Item #:	Stock Name:	Ordering and Shipping Information
9-95A	VR/DL Multipurpose Form – Single Sheet	Paper used with Laser printers to print DMV registration documents. Paper is shipped in cartons of 5000 sheets and must be ordered as a carton (CT). The number of items entered on the <i>Accountable Item(s) Order form</i> for one carton would be 1 CT and two cartons would be 2

		CT. (Note: application renewals average three sheets per transaction).
7-175A	Physical Inventory Form (Non DMV)	The 2-Part NCR form is shipped 25 sets per package and must be ordered as a package (PK). The number of items entered on the ADM 519 for one package would read 1 PK and 2 PK for two packages.
7-510	Accountable Item(s) Order Form	The 2-Part NCR form is shipped 100 sets per package and must be ordered as a package (PK). The number of items entered on the ADM 519 for one package would read 1 PK and 2 PK for two packages.

D. Receiving Inventory

Within one (1) day of receiving accountable inventory the first-line service provider and including any of its second-line business partner site(s) that receive inventory directly from DMV, shall:

1. Verify the contents of the shipment of accountable inventory against the *Accountable Item(s) Order* form (DMV510) no later than the end of the business day following receipt of the items. If they do not agree, see Shipping Errors on page x. (Note: Immediately verify the contents of a partial box of license plates or stickers.)
2. Acknowledge receipt of the accountable inventory by sending an electronic message to the DMV warehouse identifying the ranges of license plates and year stickers, received, and site location(s) where inventory was shipped. Enter the items in the order listed on the form.
3. Complete the following information on the *Accountable Item(s) Order* form. Enter the date the inventory is received, the assigned DMV office number & site ID and sign the name and print the title of the authorized person confirming delivery. This person must be one of the designated employees authorized to receive inventory. (Note: The same person who initiated the inventory order cannot sign the *Accountable Item(s) Order* form. Sites with three (3) or less employees are exempt from the signature requirement.) Retain a copy of the *Accountable Item(s) Order* form for your files for three (3) years. Return the original form to:

DMV Warehouse Inventory Control Operations
4201 Sierra Point Drive Suite 112
Sacramento, CA 95834

Shipment Errors Discovered after Inventory Entered into Database

A business partner shall notify DMV's Accountable Inventory Management Systems (AIMS) Unit and Warehouse Inventory Control Operations (ICO) by telephone about shipment errors of accountable or controlled items. Call **before** the items are entered into the inventory database. Contact the AIMS Unit for any unresolved accountable inventory discrepancies.

The following procedures are to be followed when discrepancies are found with accountable items inventory **after** the items have been entered into the database and distributed for issuance.

Description of Discrepancy	Procedure
Additional items included in shipment (Item received was not ordered)	Call AIMS Unit (916) 657-7712 and ICO (916) 728-7906 for shipment errors instructions.
Items discovered missing while processing	Enter a "M" as the inventory disposition code in the business partner's Automated Inventory Tracking or Assignment Database.

	<i>Note: If an item is declared missing and later found, enter an "F" as the disposition code.</i>
Items discovered to be damaged or defective	Enter a "D" as the inventory disposition code in the business partner's Automated Inventory Tracking or Assignment database. Follow the disposal procedures identified in the contract Agreement.
Partial receipt of shipment	Enter a "P" as the inventory disposition code in the business partner's Automated Inventory Tracking or Assignment database.
Duplicate items received	Issue one set or item. Prepare a destruction report for the second set/item and follow the disposal procedures.

E. Inventory Returns and Disposal

First-line service providers are responsible for obtaining obsolete, damaged, or expired inventory from their Second-line business partners. First-line service providers may either return obsolete, damaged or expired inventory to DMV or dispose of obsolete, damaged or expired inventory.

Prior to disposal of any accountable item, the business partner must contact the AIMS Unit. The AIMS Unit will determine if the inventory is to be returned and used within DMV. The AIMS Unit will instruct the first-line service providers to either return the items to the warehouse or to destroy the items. The method of disposal used must reasonably assure DMV that the improper use of these items is prevented. All expired accountable inventory must be disposed of on or before the 30th calendar day following the last work period of their validity.

Inventory is to be returned by completing the *Physical Inventory (Non-DMV Entities)* form, ADM 175A. The status of accountable inventory must be recorded on the First-line business partner's inventory tracking database

The inventory and form shall be sent to the DMV AIMS Unit by trackable US mail or private carrier to: DMV, Automated Inventory Management Systems Unit, 2570 24th Street, MS G202, Sacramento, CA 95818. The Service provider shall pay all shipping costs for the return of the inventory.

Destroyed controlled inventory is reported quarterly by letter on the first-line service provider's company letterhead and submitted with the Quarterly Physical Reconciliation report.

E. Inventory Assignment

License plates and year stickers are to be tracked by ranges used. Month stickers, DMV 95A paper and forms are to be tracked by on-hand quantities. The location of all license plates and year stickers received as inventory and under the first-line service provider and their second-line business partner's control, shall be electronically tracked by the first-line service provider and its site location. The status and location of the inventory is to be available to the business partner and DMV staff immediately on request.

License plates and year stickers are to be electronically assigned in strict serial number order, lowest number first.

If the business partner's automated inventory tracking and or assignment system is unavailable, license plates and stickers shall not be manually assigned.

The business partner shall not release license plates and month and year stickers to the customer until the completed electronic transaction record has been received by DMV and the applicable DMV documents have been printed.

F. Quarterly Physical Inventory Reconciliation Procedures

The first-line service provider is responsible for the consolidation of the accountable item inventory of their second-line business partners. The physical inventory reports shall be conducted in March, June, September, and December.

The First-line Service Provider is to conduct a physical inventory on the first business day following the last day of the month of each quarter. The accountable items must be recorded on the *Physical Inventory (Non DMV Entities)* form (ADM 175A). The controlled items that were damaged, missing, transferred to another site or destroyed for that quarter are to be identified by letter on the first-line service provider's letterhead. Second-line business partners will send the *Physical Inventory (Non DMV Entities)* form (ADM 175A) and an inventory letter to DMV and the first-line service provider no later than the 12th day of the following month.

The report shall be forwarded to:

Department of Motor Vehicles
Automated Management Inventory Systems Unit
PO Box 932382 MS G202
Sacramento, CA 94232-3820

The information is to be recorded on an ADM175A form and completed as follows:

FIELD	REQUIRED INFORMATION
Type plate	Enter automobile or commercial.
Beginning number	The beginning number for each type plate.
Ending number	The ending number for each type plate (listed in numerical order).
Inventory on hand	Quantity in each series.
Sticker expiration year	Sticker number by year of expiration.
Beginning number	The beginning number for each sticker (by year of expiration).
Ending number	The ending number for each year. (by year of expiration)*.
Company name	Enter the name of your company.
Office number	Office number assigned by DMV (must begin with a "Y").
Prepared by	Signature of employee(s) who completed the physical inventory, prepared the ADM175A and the date it was prepared.
Approved by	Signature of manager or supervisor or their designee. This must be someone other than the employee(s) who completed the physical inventory and prepared the ADM 175A. Must include the date the form was signed.
Date	Date the form was completed.

The ADM175A is a two-part NCR form. The form must be completed with a fine, black ink ballpoint pen or a typewriter. Do not make strikeouts, erasures or corrections on this form. Forward the original to DMV and retain one copy for your records. Retention of business records is explained in Section 225.60 of Title 13, California Code of Regulations.

The Automated Management Inventory Systems (AIMS) Unit will compare the reports against information from the AIMS database. The AIMS Unit will attempt to resolve any discrepancies. Discrepancies that AIMS is unable to resolve will be outlined in a memo and forwarded with a copy of the ADM 175A form in dispute to the first-line service provider. It will be the first-line service provider's responsibility to reconcile and resolve outstanding discrepancies. The AIMS Unit will be available to assist business partner in resolving discrepancies/differences identified in the Quarterly Physical Inventory Reconciliation Report.

Second-line business partners are prohibited from destroying inventory. They will forward the inventory to their respective first-line service provider for disposal. The service provider is to following the procedures identified in Section E and in Section 225.57 of the regulations.

For assistance with any inventory reconciliation discrepancies and/or problems, contact the AIMS Unit at (916) 657-7837. Please identify yourself as a first-line service provider participating in the Business Partner Automation Program.

H. List of DMV forms

List of DMV forms available to process the vehicle transactions and manage inventory.

Application for Registration of New Vehicle	REG 397 (Rev. 9/96)
Statement for Securing Commercial Registration	REG 590 (Rev. 8/91)
Statement of /Facts	REG 256 (Rev. 1/02)
	REG 256A (Rev. 7/98)
Certification or Exemption for Specialized Transportation Vehicle	REG 345 (Rev. 11/97)
Notice of Change of Address	DMV 14 (Rev. 8/00)
Application for Duplicate Registration	REG 156 (Rev. 12/00)
Report of Deposit of Fees	DMV 95A (NEW 12/95)
Accountable Items(s) Order	ADM 510 (NEW 3/93)
Physical Inventory (Non-DMV Entities)	ADM 175A (Rev. 2/00)